

REMARKS

I. INTRODUCTION

Provided above, please find a claim listing which includes claims 1, 3-5, 7, 8, 10, 11, 13-17, 20-23, 25-27, 29, 30, 32, 33, 35-39 and 42-69 that are currently pending in this application.

II. REJECTIONS UNDER 35 U.S.C. § 103 SHOULD BE WITHDRAWN

Claims 1, 3-5, 7, 8, 10, 11, 13-17, 20-23, 25-27, 29, 30, 32, 33, 35-39 and 42-69 stand finally rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over U.S. Patent No. 6,877,093 issued to Desai et al. (the “Desai Patent”), in view of U.S. Patent No. 6,234,389 issued to Valliani et al. (the “Valliani Patent”) and U.S. Patent No. 6,963,908 issued to Lynch et al. (the “Lynch Patent”). (See Office Action, page 2).

Under 35 U.S.C. § 103(a), a person is not entitled to a patent even though the invention is not identically disclosed or described as set forth in §102, “if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.” 35 U.S.C. § 103(a).

The objective standard for determining obviousness under 35 U.S.C. § 103, as set forth in *Graham v. John Deere, Co.*, 383 U.S. 1 (1966), requires a factual determination to ascertain: (1) the scope and content of the prior art; (2) the level of ordinary skill in the art; and (3) the differences between the claimed subject matter and the prior art. Based on these factual inquiries, it must then be determined, as a matter of law, whether or not the claimed subject matter as a whole would have been obvious to one of ordinary skill in the art at the time the alleged invention was made. *Graham*, 383 U.S. at 17. Courts have held that there must be some

suggestion, motivation or teaching of the desirability of making the combination claimed by the applicant (the “TSM test”). See *In re Beattie*, 974 F.2d 1309, 1311-12 (Fed. Cir. 1992). This suggestion or motivation may be derived from the prior art itself, including references or disclosures that are known to be of special interest or importance in the field, or from the nature of the problem to be solved. *Pro-Mold & Tool Co. v. Great Lakes Plastics, Inc.*, 75 F.3d 1568, 1573 (Fed. Cir. 1996).

Although the Supreme Court criticized the Federal Circuit’s application of the TSM test, see *KSR International Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1741, (2007) the Court also indicated that the TSM test is not inconsistent with the *Graham* analysis recited in the *Graham v. John Deere* decision. *Id.*; see *In re Translogic Technology, Inc.*, No. 2006-1192, 2007 U.S. App. LEXIS 23969, *21 (October 12, 2007). Further, the Court underscored that “it can be important to identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does.” *KSR*, 127 S. Ct. at 1741. Under the precedent established in *KSR*, however, the presence or absence of a teaching, suggestion, or motivation to make the claimed invention is merely one factor that may be weighed during the obviousness determination. *Id.* Accordingly, the TSM test should be applied from the perspective of a person of ordinary skill in the art and not the patentee, but that person is creative and not an automaton, constrained by a rigid framework. *Id.* at 1742. However, “the reference[s] must be viewed without the benefit of hindsight afforded to the disclosure.” *In re Paulsen*, 30 F.3d 1475, 1482 (Fed.Cir. 1994).

The prior art cited in an obviousness determination should create a reasonable expectation, but not an absolute prediction, of success in producing the claimed invention. *In re O’Farrell*, 853 F.2d. 894, 903-04 (Fed. Cir. 1988). Both the suggestion and the expectation of

success must be in the prior art, not in applicant's disclosure. *Amgen, Inc. v. Chugai Pharmaceutical Co., Ltd.*, 927 F.2d 1200, 1207 (Fed. Cir. 1991) (citing *In re Dow Chem. Co.*, 837 F.2d 469, 473 (Fed. Cir. 1988)). Further, the implicit and inherent teachings of a prior art reference may be considered under a Section 103 analysis. See *In re Napier*, 55 F.3d 610, 613 (Fed. Cir. 1995).

The Desai Patent describes a transaction processing device and system that is capable of remotely configuring the device using a secure connection. (See Desai Patent, col. 3, line 61 through col. 4, line 46; and Fig. 8). The Desai Patent further describes a system in which a subscriber accesses a web site of a provider, and selects a terminal to reconfigure. A server then communicates with the terminal, and executes the configuration protocol. (See *id.*, col. 12, line 56 through col. 13, line 40; and Fig. 8).

The Lynch Patent describes a method and system which allows transfer of programs and settings from one computer to a second computer via a web site, which allows the second computer to have the same environment and settings as the first computer. (See Lynch Patent, Abstract; and col. 3, line 3 through col. 4, line 44). The system and method of the Lynch Patent also can provide advertisements for goods or services during the transfer process, where the advertisements can be relevant to the information detected on the first computer, and allow the user to purchase such goods or services by submitting information such as credit card information or a mailing address, before resuming the transfer process. (See *id.*, col. 4, lines 45-52; and col. 9, lines 12-49).

The Valliani Patent describes a portable transaction terminal which includes a PCMCIA-compliant computer and a separate module which has a PCMCIA interface and a reader capable of reading magnetic stripe data or smartcard data. (See Valliani Patent, Abstract;

col. 2, lines 42-55; col. 4, lines 38-49; and FIG. 1). The portable transaction terminal of the Valliani Patent can be in communication with a remote host system. (*See id.*, col. 3, lines 1-4).

A. Claims 1, 3-5, 7, 23, 25-27, 29, 45, 46, 50, 51, 54, 57, 60, 62, 64, and 67

Independent claim 1 recites a method for downloading an application to a card terminal from a remote network connection which includes, *inter alia*, **receiving from the remote network connection a request** to download the application, **monitoring** the card terminal using the processing arrangement **to detect at least one activity of a financial transaction** performed at the card terminal, detecting the at least one activity performed at the card terminal, and **based on the detection procedure, electronically transmitting to the card terminal information related to the request** for use in downloading the application to the card terminal. Independent claim 23 recites an apparatus which includes similar subject matter. Claims 3-5, 7, 25-27, 29, 45, 46, 50, 51, 54, 57, 60, 62, 64, and 67 depend from either claim 1 or claim 23.

The Examiner acknowledges that the Desai Patent does not teach the detection of at least one activity such as a financial transaction at a card terminal, and in response to the detection, the downloading of an application to the terminal. (*See Office Action*, page 4). The Examiner then attempts to cure this deficiency by combining the Desai Patent with the Lynch Patent, and alleges that the Lynch Patent teaches “detecting a financial transaction (e.g., use of a credit card) at a terminal (e.g. PC, laptop, pda),” and in response to the detecting of the transaction, downloading a computer application to the terminal. (*See Office Action*, page 4).

Applicants respectfully assert that the portions of the Lynch Patent relied on by the Examiner merely describe **an electronic purchase of goods or services over a network**,

where a remote server sends advertisements to a PC, and a user can enter certain information to purchase any desired goods or services, which may then be forwarded or mailed to the user. (*See* Lynch Patent, col. 4, lines 45-52; and col. 9, lines 12-49). Moreover, the Examiner acknowledges that the Lynch Patent does not teach or suggest a system or method which relates to downloading of any application to a card terminal. (*See* Office Action, page 5).

To cure this further deficiency of the Lynch Patent and of the Desai Patent, the Examiner is forced to add yet another reference to the combination of the Desai and Lynch Patents (the Valliani Patent), with this further reference describing a system and method for providing a point-of-sale terminal which includes a computer and a card reader apparatus. (*See id.*) The Examiner goes on to allege that the Valliani Patent describes a “download of associated software” at col. 2, lines 51-55. (*See id.*) Applicants respectfully disagree. The Valliani Patent describes software that is “loaded into and/or executed by the computer or PDA” where such software “which can be provided with module 200 or may be available from other sources including the manufacturer of device 10 [computer or PDA], would be loaded into device 10 [computer or PDA].” (*See* Valliani Patent, col. 2, lines 50-55; and col. 6, lines 1-7). Moreover, the Valliani Patent does *not* teach or suggest any **downloading of an application to a card terminal from a remote network connection**, as recited in independent claims 1 and 23.

Applicants respectfully assert that the Examiner is engaging in *improper hindsight* in constructing the alleged combination of the Desai Patent with the Lynch Patent, and then further with the Valliani Patent to assemble the claimed features recited in independent claims 1 and 23. By “picking and choosing” missing elements as discussed above, the Examiner is believed to be employing an *improper hindsight reconstruction*. “It is improper to use the inventor’s disclosure as a road map for selecting and combining prior art disclosures.” *See Grain*

Processing Corp. v. American Maize-Products Corp., 840 F.2d 902, 907 (Fed. Cir. 1988). “[T]he reference must be viewed without the benefit of hindsight afforded to the disclosure.” *In re Paulsen*, 30 F.3d 1475, 1482 (Fed. Cir. 1994).

The Desai Patent describes a system for remotely configuring a card terminal which *does not require any kind of monitoring of the terminal, nor any detection of a financial transaction before transmitting information to the card terminal* relating to the request. The Lynch Patent merely describes a purchase of goods or services over a network in response to an advertisement, where financial information can be submitted by the purchaser and the goods or services are then mailed or forwarded. The Valliani Patent describes a point-of-sale device which includes a computer or PDA with an attached card reader module, which can utilize software stored in the card reader module or provided by the computer or pda manufacturer. Applicants respectfully submit that there is absolutely no teaching suggestion, motivation or incentive to combine the remote reconfiguration method of the Desai Patent with both the network-based advertising and sales method of the Lynch Patent and the card reader terminal of the Valliani Patent to teach or suggest the subject matter recited in claims 1 and 23 of the above-referenced application.

Applicants thus respectfully assert that independent claims 1 and 23 would not be obvious to one of ordinary skill in view of the alleged combination of these three references relied on by the Examiner. The Examiner alleges that it would have been obvious to one of ordinary skill to combine the teachings of the Desai Patent, the Lynch Patent, and the Valliani Patent to allow “a small business owner, such as a flea market vendor, to convert a laptop or pda to a point-of-sale terminal and download associated software to facilitate card purchases without the need for a large dedicated e-commerce infrastructure.” (*See* Office Action, page 5). Such

alleged motivation is not taught or suggested by any of the references relied on by the Examiner, and a combination of such disparate references to obtain the recitations of claims 1 and 23 would simply not be obvious to one of ordinary skill in the art. Again, it is believed that the Examiner is engaging in impermissible hindsight reconstruction. It is absolutely clear that one of ordinary skill in the art at the time this application was filed would in no way combine these publications in a manner suggested by the Examiner. There would be no reason to do so, and the resultant combination would fail to operate as recited in independent claims 1 and 23.

B. Claims 8, 10, 11, 13-15, 30, 32, 33, 35-37, 47, 52, 55, 58, 61, 63, 65, and 68

Independent claim 8 recites, a method for **providing configuration data to a card terminal via a remote network connection** which includes, *inter alia*, **receiving information from the remote network connection relating to configuring the card terminal** using a processing arrangement, generating configuration data from the information which enables or performs reconfiguration of the card terminal, **monitoring the card terminal** using the processing arrangement, **detecting at least one activity of a financial transaction performed at the card terminal**, and **based on the detection procedure, electronically transmitting the configuration data to the card terminal in order to reconfigure the card terminal**. Independent claim 30 recites an apparatus which includes similar subject matter. Claims 10, 11, 13-15, 32, 33, 35-37, 47, 52, 55, 58, 61, 63, 65, and 68 depend from either claim 8 or claim 30.

Again, the Examiner acknowledges that the Desai Patent does not teach the detection of at least one activity such as a financial transaction at a card terminal, and in response to the detection, the downloading of an application to the terminal. (*See* Office Action, page 4).

The Examiner then attempts to cure this deficiency by combining the Desai Patent with the Lynch Patent, and alleges that the Lynch Patent teaches “detecting a financial transaction (e.g., use of a credit card) at a terminal (e.g. PC, laptop, pda),” and in response to the detecting of the transaction, downloading a computer application to the terminal. (*See* Office Action, page 4).

As discussed above, the portions of the Lynch Patent relied on by the Examiner merely describe **an electronic purchase of goods or services over a network**. However, the Lynch Patent does *not* teach or suggest a system or method which relates to **electronically transmitting configuration data to the card terminal in order to reconfigure the card terminal** as recited in independent claims 8 and 30.

To cure this further deficiency of the Lynch Patent and of the Desai Patent, the Examiner is forced to add yet another reference to the combination of the Desai and Lynch Patents (the Valliani Patent), with this further reference describing a system and method for providing a point-of-sale terminal which includes a computer and a card reader apparatus. (*See id.*) The Examiner goes on to allege that the Valliani Patent describes a “download of associated software” at col. 2, lines 51-55. (*See id.*) Applicants respectfully disagree. As described above, the Valliani Patent describes software that is **loaded into and/or executed by the computer or PDA**” where such software can be **provided with the card reader module** or may be available from other sources, including the manufacturer of the computer or PDA, and which **would be loaded into the computer or PDA**. (*See* Valliani Patent, col. 2, lines 50-55; and col. 6, lines 1-7). The Valliani Patent does not teach or suggest any **electronically transmitting configuration data to the card terminal in order to reconfigure the card terminal**, as recited in independent claims 8 and 30. Applicants again assert that the Examiner is engaging in *impermissible hindsight* in constructing the alleged combination of the Desai Patent with the

Lynch Patent and the Valliani Patent to assemble the features recited in independent claims 8 and 30.

Further, even if combined, the alleged combination of references relied on by the Examiner *fails to teach all of the features* recited in claims 8 and 30, including **detecting at least one activity of a financial transaction performed at a card terminal and, based on the detection procedure, electronically transmitting configuration data to the card terminal in order to reconfigure the card terminal.** Indeed, the Desai Patent is the only reference relied on by the Examiner which relates to configuring a card terminal. Neither the Desai Patent, the Lynch Patent, or the Valliani Patent teach or suggest **detecting an activity of a financial transaction performed at a card terminal and, based on the detection procedure, electronically transmitting configuration data to the card terminal,** as recited in independent claims 8 and 30. The only “detection” feature cited by the Examiner relates to an ordinary purchase transaction over a network, where a server sends an advertisement to a user, and the user can purchase goods or services offered by entering certain information which may include an address or a credit card information. (See Office Action, page 4; and Lynch Patent, col. 4, lines 45-52; and col. 9, lines 12-49).

C. Claims 16, 17, 20-22, 38, 39, 42-44, 48, 49, 53, 56, 59, 66, and 69

Independent claim 16 recites a method for providing information to a remote network connection concerning activity at a card terminal which includes, *inter alia*, **monitoring the card terminal** using a processing arrangement **to detect an activity of a financial transaction performed at the card terminal, detecting the activity** performed at the card terminal and, **based on the detection procedure, generating information relating to the**

activity for network transmission and display. Independent claim 38 recites an apparatus which includes similar subject matter. Claims 17, 20-22, 39, 42-44, 48, 49, 53, 56, 59, 66, and 69 depend from either claim 16 or claim 38.

Again, the Examiner acknowledges that the Desai Patent does not teach the detection of at least one activity such as a financial transaction at a card terminal, and in response to the detection, the downloading of an application to the terminal. (*See* Office Action, page 4). The Examiner then attempts to cure this deficiency by combining the Desai Patent with the Lynch Patent, and alleges that the Lynch Patent teaches “detecting a financial transaction (e.g., use of a credit card) at a terminal (e.g. PC, laptop, pda),” and in response to the detecting of the transaction, downloading a computer application to the terminal. (*See* Office Action, page 4).

As discussed above, the Lynch Patent relied on by the Examiner merely describes an electronic purchase of goods or services over a network. (*See* Lynch Patent, col. 4, lines 45-52; and col. 9, lines 12-49). The Lynch Patent does *not* teach or suggest any use of a card terminal. Moreover, the Lynch Patent, either alone or in an alleged combination with the Desai Patent, *fails* to teach or suggest monitoring such card terminal to detect an activity of a financial transaction performed at the card terminal, detecting the activity and, based on the detection procedure, generating information relating to the activity for network transmission and display as recited in independent claims 16 and 38.

To cure this further deficiency in the alleged combination of the Lynch Patent with the Desai Patent, the Examiner relies on the Valliani Patent, which describes a system and method for providing a point-of-sale terminal which includes a computer and a card reader apparatus. (*See id.*) However, even if combined with the Desai and Lynch Patents, the Valliani Patent *fails* to teach or suggest the claimed recitation of monitoring a card terminal to detect

an activity of a financial transaction performed at the card terminal, much less **detecting the activity** and, **based on the detection procedure, generating information relating to the activity for network transmission and display** as recited in independent claims 16 and 38. The only “detection” feature cited by the Examiner relates to an ordinary purchase transaction over a network, where a server sends an advertisement to a user, and the user can purchase goods or services offered by entering certain information which may include an address or a credit card information. (See Office Action, page 4; and Lynch Patent, col. 4, lines 45-52; and col. 9, lines 12-49).

The Examiner alleges that with respect to claims 16 and 21, the configuration server described in the Desai Patent “can format information for display.” (See Office Action, page 6). However, as described above, the Desai Patent, either alone or in an alleged combination with the Lynch Patent and the Valliani Patent, *fails* to teach or suggest all of the features recited in independent claims 16 and 38, such as **monitoring a card terminal to detect an activity of a financial transaction performed at the card terminal**, much less **detecting the activity** and, **based on the detection procedure, generating information relating to the activity for network transmission and display**.

D. Claims 5 and 38

Claim 5 depends from claim 1, and recites a method for downloading an application to a card which includes, *inter alia*, **transmitting the information upon detecting a command corresponding to closing of a batch of data** associated with a plurality of financial transactions at the card terminal. Independent claim 38 recites an apparatus for providing information concerning card terminal activity to a remote network location which includes, *inter*

alia, generating, upon detection of the activity, the information for network transmission and display. The Examiner alleges that this language does not limit the scope of the claim because it suggests or makes optional but does not require steps to be performed.¹ (See Office Action, page 5). Applicants respectfully disagree.

As recited in claims 5, the information *is* transmitted upon detecting a command corresponding to closing of a batch of data. Similarly, in claims 38, information *is* generated upon detection of the activity of the financial transaction. Applicants respectfully assert that the transmission or generation of the information as recited in claims 5 and 38 *is not* “suggested or optional.” Such transmission or generation *does* indeed occur when the command (claim 5) or activity (claim 38) is detected. Applicants respectfully assert that these recited features are definite, and do not fall within the scope of MPEP §2106(C).

III. CONCLUSION

Thus, for at least the reasons described above, Applicants respectfully request that the rejection of pending claims 1, 3-5, 7, 8, 10, 11, 13-17, 20-23, 25-27, 29, 30, 32, 33, 35-39 and 42-69 under 35 U.S.C. § 103(a) be withdrawn. In light of the foregoing, Applicants respectfully submit that pending claims 1, 3-5, 7, 8, 10, 11, 13-17, 20-23, 25-27, 29, 30, 32, 33, 35-39 and 42-69 are in condition for allowance. Prompt consideration, reconsideration and allowance of these pending claims are therefore earnestly solicited.

¹ Claim 37, also cited by the Examiner in this regard, does not recite “upon detecting...”

Respectfully submitted,

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